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No. 1

# LORDS of the REALM

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Barclays Bank PLC

BARCLAY'S BANK; THE 8 FAMILIES BEHIND THE EAGLE

De Beers

SOUTH AFRICA'S OPPENHEIMERS - GOLD & DIAMONDS

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# INVESTIGATING THE PLUTOCRACY

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# IN THIS ISSUE

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# editorial

This magazine is founded upon the belief that "Western" civilisation is currently dominated by three forms of government. These three hierarchies interact at most levels but are clearly separate although mutually supportive.

Firstly there is the LEGISLATIVE government, with which all are familiar. Its members are public figures whether they be elected (Congressmen, British MPs, local councillors etc.) or careerist (civil servants). Their power is based on the general consensus or its apathetic equivalent.

Next there is the MILITARY government, a power base derived from sheer physical force. Those who doubt that this is a separate power clique should note the hard bargaining that takes place over defence budgets, and the way in which mainstream "legislative" politicians are always careful to please the Pentagon/Defence Ministry. As was demonstrated in France during the Algerian crisis, even Western democracies are not immune to coups d'etat from the barracks.

Lastly there is the ECONOMIC government, or Plutocracy, which lurks in the shadows unknown to most of the populace. Few would deny the power of the multi-national corporations, the top 200 of which have annual turnovers which would shame many sovereign nations, but almost all would be hard put to say who controls this power. Over the years the multi-nationals have attempted to cultivate the belief that their proprietary base is widely scattered, and that Management is in the driver's seat. They have been aided in this disinformation project by kow-towing sociologists such as A.A. Berle, and by historians at major universities who instantly label anyone investigating the plutocracy as a "conspiracy theorist".

Lapdog academics aside, there is clear evidence that a small elite of super-rich families is still in control of the multinationals. The purpose of this journal is to make these proprietors public figures, accountable for the lurid activities of their hired-hand managements, and more responsive to the populations from whom they wring their lavish livelihoods. We trust that we can depend on you, the reader, to support us in this endeavour.

NEVILLE P. MERCER, Editor.

MANY THANKS TO ALL OF THOSE WHO MADE THIS FIRST ISSUE POSSIBLE, INCLUDING:-

Tony Enticknap, Philippe Noel, Mai Walton, Caroline Moss, Tim Holt, Jenny Gregson, Iris Services Ltd., the helpful staff at Ernest Lee, and all of those inside the corporations who have contributed information but prefer to remain anonymous. Also anyone we've forgotten to mention !!

THE SECOND ISSUE WILL BE AVAILABLE IN LATE MAY/EARLY JUNE

We are always on the look-out for contributors, especially those who work within the multi-nationals and can provide their confidential assistance in our investigations. Total anonymity is assured to anyone who can help.

# CANADIAN MEDIA BARONS

LOCK HAVEN, Pennsylvania, is a backwoods community of some 15,000 people nestling between the Allegheny and Appalachian mountain ranges on the West Branch of the flood-prone Susquehanna River. The New England Gothic mansions of aptly-named Water Street recall a time when Lock Haven was a major hub of the lumber industry, but nowadays this tiny city is sustained mainly by the State College and the recession-struck Piper Aircraft Corporation.

EDINBURGH, capital city of Scotland, has a population of 450,000 and the mansions of its financial elite make the "Addams Family" structures of Lock Haven look like tumbledown outhouses. The long extinct volcano which dominates the city skyline is topped by a magnificent castle which is the venue for much pageantry including the internationally renowned Edinburgh Tattoo.

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QUESTION:- What do Lock Haven and Edinburgh have in common?

ANSWER:- The only daily newspapers published in both towns are controlled by Canada's Thomson family.

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The size of the Thomson empire staggers the imagination. Among its properties are 180 newspapers in Canada, the United States, the Caribbean, Britain, Northern Ireland, Africa, and Thailand; 150 magazines in the Caribbean, Britain, Africa, Australia, and New Zealand; 25 radio and television stations in Canada, the Caribbean, Gibraltar, Africa, Australia, Pakistan, and the Lebanon (plus a large shareholding in Glasgow-based Scottish Television); 4 of Canada's leading insurance companies; a trucking conglomerate with more than 400 tractor/trailer units in Canada and the U.S.A.; 2 resort villages in Thailand; the world's largest all-charter airline, 3 of Britain's top-ten package holiday operators; and a hefty chunk of North Sea Oil in the lucrative Piper Field offshore drilling area. The Thomsons are easily Canada's richest family, having long since outstripped the founding clans of such gilt-edged enterprises as Seagram's Whisky and Massey-Ferguson. It is strange to record therefore, that the Thomson story begins with the son of a Toronto barber who had an obsession with baseball statistics.

For the first 40 years of his prolonged existence ROY THOMSON (1894-1976) stayed a hairsbreadth away from the bankruptcy courts. After working his way through business college as a janitor he entered the cordage business as a clerk, and there he might have remained but for the generosity of a rich aunt. She loaned him a considerable sum which he used to secure second mortgages on various properties, and any interest he collected which was surplus to his loan repayments he invested in his employer's cordage business. Thomson was soon appointed Toronto branch manager and installed his mother's lodger, Edna Irvine, as a stenographer. In 1917 they married.

## EARLY FAILURES

1920 was the year of Thomson's first failure. Disposing of his holdings in the cordage company, he used the proceeds to purchase a 640 acre farm at Holdfast on the Canadian prairies. This was spectacularly unsuccessful, and within a year Thomson was heading back east with much reduced capital. He now turned to the motor-parts business, founding a supply house in combination with his brother Carl and brother-in-law Ed Bilton. The new venture had slightly more staying power than the farm and it was during the motor-parts period, in 1923, that Thomson was presented with his only son and heir apparent, Kenneth.

By 1925 Roy Thomson was in trouble again. His company had massively over-sold its products, through zealous salesmanship, to customers who could not really afford to pay. The bankers moved in to supervise the supply house's liquidation. Apparently unruffled by this temporary embarassment, Thomson moved to Ottawa and set up a new company, Service Supplies Ltd., selling both motor-parts and radios. As soon as the mess in Toronto had been cleared up Carl Thomson and Ed Bilton rejoined him.

## NORTH BAY

Pressure from the radio-manufacturers to sell more sets resulted in the opening of a branch in the railway town of North Bay, Ontario, in 1928. This new subsidiary, known as Northern Supplies, was placed under Roy's supervision and he relocated to North Bay while his two partners remained in Ottawa. It was to be the single most important move in his life. Northern Ontario was virgin territory for the sale of radio-sets, but Thomson soon encountered difficulties in demonstrating his goods to would-be customers. The nearest radio transmitter stations were hundreds of miles to the South and large iron-ore deposits in the North Bay area distorted the already weak signals even more. The solution to this problem selected by two-time failure Roy Thomson was audacious to say the least. He would build a local radio station whose programmes would help sell his sets!

The only locally-allotted frequency was owned by a nearby paper-mill and had never been used. Some fast talking bought Thomson the rights at a low price. Personnel were lured away from high-paying jobs at other radio stations by Thomson's promises of a bright new future in North Bay. On the 4th. of March 1931 radio station CFCH came onto the air and Roy Thomson was in the media business for the first time.

Throughout the 1930s Thomson's enterprises lived from hand to mouth although however closely he strayed toward bankruptcy it seemed he could always raise yet another loan for more expansion. 1933 saw the advent of CKGB in Timmins, Ontario, and 1934 greeted CJKL in Kirkland Lake. The same year found Thomson with a new obsession:- newspapers. His early fascination with statistics (he now manically analysed newspaper column-inches), the insecurity caused by his two previous business failures, and the experience gained in selling advertising for the three radio stations, had led him to a single conclusion. The only perpetually popular commodity was advertising, and if he concentrated on media he would never know the ignominy of failure again.

## NEWSPAPERS

Thomson's first newspaper purchase was the Timmins Press, which he rapidly upgraded into a daily and placed under a new master-company known as Northern Broadcasting and Publishing Ltd. More radio stations followed, and a new partner called Jack Kent Cooke entered the picture. He was much younger than Thomson but shared his boyish enthusiasms and fervour for expansion. Their next major move together came in 1943 when N.B.&P. bought a chain of four newspapers in Southern Ontario. The doctrine that became identified with Thomson newspapers was now developed; budgeting and financial goals were homogenised throughout the empire whilst local editorial freedom was more-or-less guaranteed.

## 1943-1952

Meanwhile Thomson's son Kenneth had entered the media although not with the family concern at first. He had enlisted with the Royal Canadian Air Force and was working in London as an apprentice journalist on the RCAF newspaper "Wings Abroad". Roy Thomson made several visits to his son during World War Two and became familiar with the British press, much of which was owned at the time by his acquaintance and fellow-Canadian Lord Beaverbrook.

In 1949 Roy Thomson and Jack Kent Cooke went their separate ways after a bitter squabble over one of Cooke's side-deals from which Thomson had been deliberately excluded. Northern Broadcasting and Publishing was rapidly renamed "The Thomson Company" and expanded further, buying dozens of newspapers in Canada, the United States, and the Caribbean. Family money was also quietly injected into Dominion-Consolidated Truck Lines and Scottish and York Insurance.

For the barber's son from Toronto 1952 was the year of the ultimate accolade in Canadian publishing. Thomson was named President of the Canadian Press Association, a society whose old-line moguls had often snubbed him in his impecunious early days as a proprietor. It was also the year of his greatest personal tragedy; the death of his wife, Edna. Casting around for a diversion to overcome his deep depression he decided to seek election to the Canadian Parliament, standing as a Progressive-Conservative candidate in the constituency of York Centre. Shortly before his defeat he received a far more interesting diversion in the form of a telegram from Scotland.

## EDINBURGH

Ever since his wartime visits to London Thomson had envied Lord Beaverbrook and the other titled proprietors of Fleet Street. Now he was being offered the chance of a major British regional daily newspaper, Edinburgh's prestigious "Scotsman". One stipulation the owners were placing on the sale was that he would have to become a resident proprietor, but to Roy Thomson this was a positive boon rather than an imposition. The end of his relationship with Cooke, the death of his wife, and his humiliating defeat in York Centre had sickened him of Canada. He now saw Edinburgh and the prospect of a peerage as his immediate goals. The sale was soon completed and Roy Thomson flew to Scotland leaving Kenneth, now 30 years old in charge of North America and the Caribbean.

Initially the Scottish operation was limited to two newspapers, the Scotsman and its subsidiary, the Edinburgh Evening Dispatch, but Thomson's natural acquisitiveness was not to be held in check for long. In the mid-1950s Britain's first commercial television network, ITV, was coming onto the air and Thomson applied for the franchise covering Edinburgh, Glasgow, and Southern Scotland. His bid met little real opposition and the new station, Scottish Television, commenced broadcasting in August 1957. Despite predictions of impending doom by Edinburgh's over-cautious financial elite, Scottish TV proved a huge success and prompted Roy Thomson's most famous quote:- "It's a licence to print money!"

Even with the TV station, the Thomson properties in Britain were still fairly small game. In 1959 this changed irrevocably when Thomson paid more than £12 million to the Berry family for Kemsley Newspapers Limited. The jewel in the Kemsley crown was the highly-respected (London) Sunday Times but the deal also included 17 other major newspapers, among them the Sunday Graphic, the Empire News, the Manchester Evening Chronicle, and the principal dailies in Aberdeen, Blackburn, Cardiff, Middlesborough, Newcastle, and Sheffield. The Sunday Graphic and the Empire News were soon closed, leaving the Sunday Times as Thomson's chosen instrument in the weekly newspaper market. Manchester's ailing Evening Chronicle was another early casualty of Thomson streamlining, but in 1961 the Belfast Telegraph was purchased by way of compensation. A

particularly tricky manouevre traded the two Sheffield papers to the Provincial group in exchange for their Edinburgh daily, giving Thomson a media monopoly in the Scottish capital. The remainder of the Kemsley group, plus the Scotsman and the Belfast Telegraph. made up the bulk of the Thomson Newspaper Group in Britain until 1966.

Elsewhere in the world the Thomson Organisation was also highly active, buying newspapers in Trinidad, Malawi, and Rhodesia, and scattering its TV and Radio interests to every part of the globe. In North America its appetite for small-town newspapers seemed insatiable, and Kenneth was proving quite as adept as his father at spotting suitable properties for the shopping list.

Roy Thomson was now a national proprietor and had only two ambitions left to fulfill; the purchase of a nationwide daily, and his elevation to the House of Lords. The first ambition was thwarted in 1961 when the Odhams Press (owner of the Daily Herald) was seized from under his nose by an equally voracious competitor. The second ambition he achieved in the New Year's Honours List of January 1964, being granted the title "LORD (BARON) THOMSON OF FLEET AND NORTHBRIDGE IN THE CITY OF EDINBURGH."

# FINAL YEARS

1965 was a year of major diversification. Thomson received the exclusive contract to handle the advertising for classified telephone directories in Britain, and Thomson Directories Limited later blossomed out to include used-car guides, community directories, and trade indexes. On a different front the Organisation purchased two package holiday companies, Universal Sky Tours and Riviera Holidays, both of which specialised in flying tourists from Britain to low-cost resort hotels on the Mediterranean. Included in this deal was a small charter airline called Euravia with a sextet of obsolete Britannia turboprop aircraft. Nowadays these companies have become the Thomson Holidays Group (including Lunn-Poly, Portland, and Club 18-30) and Britannia Airways with a fleet of 32 modern Boeing 737 jetliners.

Lord Thomson of Fleet finally captured his elusive national daily in 1966 when he purchased the world-famous Times of London from the Astor family, reuniting it with its sister-paper, the Sunday Times, after 44 years of divergent ownership. His last great ambition in publishing had been achieved and Thomson soon became restless, ever eager to expand into new territory. The obvious target for his agglomerative instincts was the North Sea, where oil-drilling rights were being leased out by the British Government. Thomson British Holdings duly entered a consortium with Occidental Oil, Getty Oil, and Allied Chemical which was highly successful in the Piper Field region of the North Sea. This activity consumed the last five years of Roy Thomson's life. He died on the 4th. of August 1976, leaving his empire and his title to his son Kenneth.

# THE SON

Kenneth Roy Thomson, second Baron of Fleet and Northbridge, did not follow his father's trail to Edinburgh. He has continued to live in Toronto (although he maintains a second home in London for extensive visits) and his accession to the throne signalled trouble for the two prize British possessions, the Times and the Sunday Times. Still a great believer in his father's original philosophy of buying only small-town papers with a monopoly on locally printed news and advertising, his lack of interest in his father's two British status symbols soon became apparent. A marathon strike by print-workers at the Times finally decided the issue, and the Thomson Organisation put both papers up for sale. The eventual purchaser was Australian press magnate Rupert Murdoch, owner of such sensationalist tabloids as the (London) Sun and the (U.S.) Star. The Sun has been described by one of its more principled tabloid competitors as "the harlot of Fleet Street", and the idea that the sacred Times of London should be in the same group has repelled many Times readers to the point where they have changed newspapers, most of them choosing the bombastically unreadable Daily Telegraph. Oddly enough, the Northern edition of the Telegraph is printed in Manchester on Thomson's Withy Grove presses, and the paper is owned by members of the same Berry family which sold Kemsley Newspapers to Roy Thomson in 1959.

The current Lord Thomson is Chairman of the Thomson Organisation (the main conglomerate), Thomson British Holdings, the Woodbridge Company and Thomson Investments (which between them own the Thomson Organisation and are private family holding companies), and the Standard St. Lawrence Company (a similar operation which controls the four Insurance companies). He is President of Dominion Consolidated Holdings (Trucking), and a director of Abitibi-Price Paper, the Caribbean Trust Co., the Hudson's Bay department-store chain, the Toronto-Dominion Bank, and numerous Thomson subsidiaries. His family's total wealth has been estimated at $3-4 Billion, and their influence is global. Kenneth Thomson, like his father before him, is truly a LORD OF THE REALM. +++

# THE BARONS OF SAN FRANCISCO

San Francisco is frequently described as a European city on the West Coast of America, a description particularly favoured by East Coast writers who indulge in a perennial love-affair with the city. Without doubt San Francisco has many laudable characteristics; its pace of activity is much more dignified than the frenetic hurly-burly of the East, its cultural endeavours are renowned worldwide, and its beautiful waterfront is marred only by the hideous Transamerica pyramid. But this is also the city that spawned the Symbionese Liberation Army, the city of killer-cop Dan White, and the home of several of the world's largest multi-national corporations. Post-war America's premier bank has its headquarters in the city, as do Levi Strauss jeans, Bechtel construction, and the Crown-Zellerbach paper company. The twin city of Oakland on the opposite side of the Bay is home to the gigantic Kaiser conglomerate. A small group of wealthy families who dominate these corporations exert considerable influence on the American economy and seriously affect the economies of many other Western and Third World nations.

## BankAmerica

When investigating any plutocratic hierarchy the best starting point is inevitably the board of directors of the most powerful corporation based in that hierarchy's geographical locale. San Francisco's BankAmerica Corporation is not only the largest bank in the Western United States, but vies with New York's Citibank to be the largest in the entire country. Overseas, the bank and its subsidiary companies have over 500 branches in more than 100 countries. Deposits are in excess of $85 billion.

The origins of this enormous financial institution go back to 1904 when a young Italian-American entrepreneur named Amadeo Giannini founded San Francisco's "Bank of Italy". The bank was highly successful among the ethnic communities and branches multiplied throughout the State of California.

Transition to the big time began in the 1930s when Franklin Roosevelt's New Deal brought huge construction projects to the Western states. Giannini had supported Roosevelt's election campaign (unlike most New York financiers) and Bank of America became the funding conduit between the government and the dambuilders, conveniently bypassing a hostile Wall Street. The New York financial establishment resented this manoeuvre and during the subsequent twenty years made several attempts to destroy the burgeoning Giannini empire. Despite the malevolent attentions of such as J.P. Morgan and Co the bank continued to grow apace with its California homeland. Shortly after the end of World War Two it became America's largest bank in terms of deposits.

Giannini's actual shareholding in the bank was always relatively small, and from the earliest days one of his principal backers was the CROCKER FAMILY. The Crockers had made their money in the Southern Pacific Rail Road and then expanded into real estate (Crocker Land Developement Co.) utilities (Pacific Gas & Electric, Southern California Edison) and banking (Crocker National). As Bank of America expanded they switched the bulk of their banking investment to Giannini's company, and Crocker National was eventually sold to Britain's Midland Bank. The Crockers are represented on the BankAmerica board by Thomas McDaniel Jr., a prominent director and past-President of Southern California Edison. The family themselves maintain a very low profile these days, although Charles Crocker III is a director of several small corporations. and his cousin Charles de Limur is still a director of the Crocker National Bank for tradition's sake.

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Another early investor in the bank was the HALE FAMILY, department-store owners from the Bay area. After a long series of carnivorous take-overs their Carter-Hawley-Hale retail empire now includes the Broadway Stores (Los Angeles), Neiman-Marcus (Dallas), Bergdorf-Goodman (New York), John Wanamaker (Philadelphia), and the ubiquitous Walden Books chain. Their BankAmerica boardroom representative is PRENTIS COBB HALE, a director of Union Oil, the Santa Fe Rail Road, and Di Giorgio Foods. Philip Hawley of Los Angeles, the other prime mover in Carter-Hawley-Hale is also on the board of BankAmerica.

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The San Francisco based Di Giorgio Corporation is a major producer of processed foods and is still tightly controlled by the founding DI GIORGIO FAMILY.

Inevitably they were early customers of Giannini's Bank of Italy, and present Chairman ROBERT DI GIORGIO is a director of BankAmerica. He also sits on the boards of Carter-Hawley-Hale and Union Oil, giving him three directorships in common with Prentis Cobb Hale, and his role as a major purchaser of agricultural produce earns him a seat on the board of Newhall Land and Farming, a company with annual revenues of more than $150 million. Here he mingles with members of the NEWHALL FAMILY, who are a secondary force in the Wells Fargo bank and prominent in California newspaper publishing.

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The Levi's brand-name is synonymous with blue-jeans throughout the world. Levi Strauss and Company supplies a full one-third of all the denim clothing sold in the United States and operates manufacturing facilities in Argentina, Australia, Belgium, Brazil, Canada, France, Great Britain, Hong Kong, Hungary, Mexico, and the Phillipines. The ganglion of this rag-trade monster is located in San Francisco's ultra-modern Embarcadero Center.

It all began in 1850 when a young Jewish immigrant arrived in California and discovered he could make hard-wearing workclothes from tent canvas. Founder Levi Strauss had

no direct descendants and control of his eponymous enterprise passed via nephews to the distantly related HAAS FAMILY. Levi's Chairman WALTER A. HAAS JR. is on the board of BankAmerica while his brother PETER is a director of Levi's, Crocker National, and Kaiser Cement. The Haas family collectively owns Iris Securities and Frontier Investments, and both of these companies are prominent shareholders of BankAmerica.

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Crown-Zellerbach is a forest-products company with more than 32,000 employees which remains almost unknown outside Western America, despite the fact that Time, Newsweek, and many other best-selling magazines are printed on Zellerbach paper. Their association with BankAmerica is long-standing and the ZELLERBACH FAMILY's current representative on the bank's board is Charles R. Dahl, hired-hand Chairman of Crown-Zellerbach. The overlord of the family's portfolio is WILLIAM J. ZELLERBACH, President of Zellerbach Paper, who controls distribution and sales of the company's finished products. Various members of the Zellerbach clan have been prominent in government and diplomatic positions since they threw their pecuniary bulk behind Franklin Roosevelt's election campaigns in the 1930s.

## The Kaisers

Also known to have large shareholdings in BankAmerica, but currently without an obvious representative on the board, are the appropriately-named KAISERS of Oakland. The Kaiser companies have a combined annual income of $4.5 billion and employ more than 45,000 people. Overseas they own a large stake in Anglesey Aluminium, operators of Europe's largest bauxite-smelter. Of the four North American companies one (Kaiser Resources) is based in Western Canada, the remaining three (Kaiser Aluminum and Chemical, Kaiser Steel, and Kaiser Cement and Gypsum) in the Bay area. Until a largely cosmetic divestiture in the 1970s all four were directly controlled by the family's Kaiser Industries holding company.

Kaiser Industries was the personal creation of Henry J. Kaiser who began his long and agglomerative career in business as a cement salesman for a concern in the Pacific Northwest. In 1913 a construction company which was a major customer of his suffered financial collapse whilst in the middle of a road-building project. Kaiser borrowed $25,000 to buy the bankrupt company, completed the highway, and found himself in the construction business.

As with BankAmerica the real period of expansion was during Franklin Roosevelt's presidency. The New Deal's gigantic civil engineering programme pumped millions of Federal dollars into the Far West, simultaneously creating the largest complex of dams in the world and a new breed of West Coast capitalists - killer sharks where only minnows had swum before. BankAmerica benefited from handling the money for the construction projects; Kaiser's company was ideally placed to benefit from their physical creation.

World War Two provided another boost to the Kaiser fortune, being initially a Pacific war and thus a West Coast logistical enterprise. The "Six Companies" combine (in which Kaiser and Bechtel were the leading lights) switched overnight from dam construction to shipbuilding. Warships required an immense amount of sttel for their construction, and Kaiser Steel came into being to maximise profits from the venture. When the war ended Kaiser was further rewarded for his patriotic self-aggrandisement when several government surplus aluminium processing plants in Washington State and Louisiana were sold to him at a bargain price. This provided the nucleus of Kaiser Aluminum and Chemical.

Other ventures followed in rapid succession; the Kaiser -Frazer Car Company (one of his few failures), Kaiser Jeep (sold at a profit to AMC in 1970), and most importantly Kaiser Resources of Vancouver, formed to exploit the natural richesse of Western Canada. The unknown cement salesman had become the greatest American industrialist since Andrew Carnegie.

Henry J. Kaiser died in 1967, aged 85. The empire today is run by his son, Edgar Fosburgh Kaiser, and his grandson, E.F. Kaiser Jr. Cornell Maier, Chief Executive of Kaiser Aluminum has worked for the family for more than 40 years and may be presumed loyal to their wishes.

## The Bechtels

San Francisco's Bechtel Group is the largest civil engineering and construction company in the world. They have built more nuclear power stations than any other contractor, constructed a completely new city for 300,000 people in the Arabian desert, built the underground railway systems of San Francisco and Washington D.C., and supervised the construction of the world's largest hydro-electric power project at St. James' Bay in Canada. They specialise in jobs which are too big for any other company to handle. Among the corporation's alumni are Caspar Weinberger and George P. Shultz, who went direct from Bechtel to the two most powerful positions in the Reagan cabinet.

The history of the world's wealthiest privately owned enterprise (the company does not sell shares to the public) goes back to 1898 when Warren Bechtel started a small construction company in Oklahoma. By 1925 the company had moved to California and grown sufficiently to warrant incorporation. From this point on the history of Bechtel closely parallels that of the Kaiser Group, with whom they were involved in the Six Companies dambuilding combine and California Shipbuilding. Bechtel, like Kaiser, is a fortune based on war profits and government handouts, now controlled by the son and grandson of the illustrious founder.

STEPHEN D. BECHTEL SR. (born 1900) is a director of the Bechtel Group and the Southern Pacific Rail Road, and a member of the Directors' Advisory Committee of

(CONTINUED ON PAGE FIFTEEN)

# THE ROCKEFELLER EMPIRE

FROM LEFT TO RIGHT:- The founder's son John D. Rockefeller Jr., and the five grand-sons; David, Nelson, Winthrop, Laurance, and John D. III.

Wall Street insiders frequently refer to DAVID ROCKEFELLER (born 1915) as "Chairman of the Board of the Establishment". Ultra-Right paranoids such as the John Birch Society believe him to be in charge of not only the Western world but also the Soviet bloc through Politburo dupes. Left-wing "revolutionaries" have made David Rockefeller's bank, the much reviled Chase Manhattan, target for both propaganda and pyrotechnics more frequently than any other New York corporation. The Rockefeller family do tend to attract attention to themselves. David's late brothers have governed the states of Arkansas and New York, one continuing to become Vice-President under Gerald Ford, and a nephew is currently governor of West Virginia. In every country, both East and West, the family name is synonymous with great wealth and elite power.

By any standards the Rockefellers are big game and in future issues of this magazine we will be covering their story at great length. Lest anyone should consider our coverage too extensive, the purpose of the present article is to emphasise the immense bulk of the Rockefeller Empire.

## STANDARD OIL

David's grandfather, John Davison Rockefeller (1839-1937) was the founder of the fortune. In 1870 he founded the Standard Oil Company in Cleveland, Ohio, in partnership with his brother William, the Harkness-Flagler family, and several other Mid-West luminaries. Nine years later Standard had achieved a 95% market-share by various illegal or immoral methods. The 1880s saw expansion into Europe, while at home the company's giant revenues were channeled into banking, utilities, and industry. Standard was beginning to attract the attention of the common person.

The company rapidly became the focus of populist antipathy to all monopolies, and John D. Rockefeller the epitome of the wicked robber-baron. By the judgement of most observers he was an unpleasant character; obsessive, brooding, hypocritical, and callous, but so were his contemporaries who received nowhere near the same opprobrium in populist demonology.

Eventually the company's infamy reached a level where even government had to take notice and do something. After long drawn-out court proceedings an order was finally made in May 1911 which divided Standard Oil into 32 separate concerns. This splintering might have been effective but for one thing; shareholders in the old monopoly were given proportional equity in each of the 32 new companies. At the time of the break-up the Rockefellers held 25%, the Harkness-Flaglers 12%, members of the Payne-Whitney clan 10%, and the Pratt family 6%. Other prominent shareholders were members of the Archbold, Bostwick, Brewster, Jennings, Rogers, and Vandergrift families. The old proportions of ownership now applied to each of the 32 units, and the break-up actually gave one advantage; parts of the old monopoly which failed to perform well could be disposed of without harm to the share-price of the profitable companies.

The Rockefellers have taken full advantage of this boon and have selectively moved their entire oil investment into five of Standard's descendants; EXXON (formerly Standard Oil of New Jersey, and known as ESSO in Great Britain), MOBIL (formerly S.O. of New York), CHEVRON (S.O. of California), AMOCO (S.O. of Indiana), and ATLANTIC-RICHFIELD (Arco). Exxon, Mobil, and Chevron are three of the "Seven Sisters" which dominate the world oil industry.

When Nelson Rockefeller (David's late brother) was nominated Vice-President in the aftermath of Watergate, the Senate Committee reviewing his nomination demanded details of his family's extensive shareholdings. The information was grudgingly supplied and showed the family to be in control of 1.02% of Exxon (worth $156 million), 1.74% of Mobil ($63 million), 2.01% of Chevron ($85 million), 0.20% of Amoco ($5 million), and slightly less than $1 million worth of Atlantic-Richfield. These figures, though substantial enough, do not give the full picture. To obtain a realistic view we must first add shares under the control of the various Rockefeller philanthropies, for although the family no longer own these shares they still oversee the voting power they represent. Then we should add the oil-company stock voted by the Trust Departments of the Rockefeller banks such as Chase-Manhattan, Citibank New York, and Chemical Bank; shares owned by the investment bankers at Brown Brothers-Harriman, Lehman Brothers-Kuhn Loeb, and Dillon-Read (all firm Rockefeller allies for over sixty years); shares owned by the Commonwealth Fund, which represents the defunct Harkness family's equity and is controlled by Rockefeller in-laws and Chemical Bank; shares held by descendants of William Rockefeller who were not included in the Senate presentation; and shares owned by members of the Pratt, Payne, Jennings, Brewster, and Whitney families who have remained in alliance with the Rockefellers since the earliest days.

After totalling these amounts it seems that the Rockefellers and their well-heeled cronies control between 10 and 15% of Exxon, Mobil, Chevron, and Amoco, and 8% of Atlantic-Richfield. Their smaller position in the latter company is buttressed by the shareholding of Arco Chairman Robert O. Anderson, a friend of both the Rockefellers and their provincial allies at the First National Bank of Chicago. Readers who want more details about the cohesive nature of the Rockefellers and their allies should consult Professor Knowles' excellent monograph "The Rockefeller Financial Syndicate".

In closing this section, it must be noted that these companies are now diversifying away from being mere energy monopolies. Exxon is moving into office equipment and mini-computers, Mobil owns the Montgomery Ward chain of catalogue stores, and Arco is the owner of Anaconda Copper. For more information on this topic a good reference is Standard and Poor's subsidiary volume.

## CHASE MANHATTAN

In 1930 the Rockefellers won control of the Chase National Bank, even then a major financial institution, and installed David's maternal uncle as President. He was succeeded in 1952 by an oil company lawyer, John J. McCloy. Three years after his accession McCloy engineered the biggest banking merger in American history when he combined the Chase with the Kuhn Loeb controlled Bank of Manhattan.

Chase-Manhattan immediately became the third largest bank in the United States, and soon gained a reputation internationally as the principal lender to such unsavoury figures as the Shah of Iran and Nicaragua's Anastasio Somoza. David Rockefeller continued McCloy's foreign policy when he took personal command of the bank in 1960, and his friendly relationships with overseas dictators caused the bank many problems in the late 1970s.

Over the years Chase Manhattan had loaned many billions of dollars to both the government of Iran and the ruling Pahlavi family. The Revolution and subsequent exile of the Shah put these loans in severe jeopardy. While Chase officials worried about the bank's money, David and his friends seemed more concerned about Pahlavi himself.

U.S. President Jimmy Carter, who had been elected with backing from the Rockefeller machine, came under extreme pressure from both David himself and family retainers such as Henry Kissinger (who now works for his old boss again). Eventually Carter gave in and admitted the wandering Shah to the United States for "medical treatment". The new Islamic Republic in Teheran took immediate offence and responded by seizing the American Embassy in the Iranian capital, holding all personnel hostage for more than a year. The bank and its Chairman were firmly placed back in the limelight they wished to avoid.

The Rockefeller family owns approximately 5% of the Chase. Another 3% is controlled by Lehman-Kuhn Loeb, 2% by the Milbank family (senior partners in McCloy's law firm), and 2% by various board members. Few would deny that David Rockefeller is in control.

## SPARE CHANGE

The oil and banking investments managed by David add up to $500 million, which is only a fraction of the family's wealth. Before his entry into politics, brother Nelson was responsible for another part which includes the huge Rockefeller Centre office and entertainment complex in New York City (100% owned by the family and estimated to be worth $1 Billion), and the International Basic Economy Corporation which builds commercial and industrial developements in South America and the Soviet Union. IBEC is now run by Nelson's son Rodman C. Rockefeller with the directorial assistance of J. Richardson Dilworth, David's office-boy. Dilworth is also a director of Rockefeller Centre, Chase-Manhattan, Chrysler Motors, and Macy's, the New York department store.

Another section of the Empire is run by David's only surviving brother, LAURANCE SPELLMAN ROCKEFELLER (born 1910). His portfolio includes Rockresorts Inc., which operates vacation facilities in the Rocky Mountains, Hawaii, and the Caribbean, the family's aviation interests (5% of Boeing, 4% of Eastern Airlines, and smaller shares of McDonnell-Douglas, Pan American World Airways, and United Tecnologies), and responsibility for the Rockefeller's investments in small new tecnology companies such as Coherent Radiation and Thermo-Electron Corporation. He is also a director of Reader's Digest and Chairman of the Rockefeller Brothers Fund philanthropy.

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The family's total fortune is in the region of $3-5 Billion, which makes them the third wealthiest in America after the du Ponts and the Mellons. However, the du Pont's $7 Billion is scattered among 1500 adult members of a complex cousinship whereas there are only 50 adult Rockefellers, and the current generation of Mellons seems content to stay on its patch in the country, whilst the Rockefellers have had three prominent "activists" in their contemporary years.

It is not only pecuniary might which earns David Rockefeller his "Chairman of the Establishment" reputation. He is also the major force in several shadowy organisations where government policymakers hobnob behind closed doors with the big proprietors. Among these are the Council on Foreign Relations, the Bilderberg Society, and the Trilateral Commission. Many investigators believe that these groups represent a hidden government which makes decisions later endorsed by the legislative assemblies, and it is certainly impossible to deny that the Trilateral Commission totally dominated the Carter administration. Beginning in the next issue we will be studying these organisations one-by-one in our new "Puppetmasters" series. We will also be looking at elite clubs such as the Links where both surviving brothers are prominent members. In our third issue will be Part One of "History of the Rockefellers", a comprehensive ten-part study of the twentieth-century's most influential family.

We hope that this brief inventory of their present wealth has whetted our readers' appetites. +++

# BARCLAYS BANK

## THE EIGHT RULING FAMILIES

Commercial banking in Britain is dominated by four gigantic institutions, each of them the result of a series of mergers which began in the 1880s and ended in the late 1960s. The four British mega-banks, Barclays, Lloyds, Midland, and National Westminster, represent the combined clout of more than 500 financial institutions extant in 1880. In the intervening period as many banks have fallen by the wayside, victims of the Big Four's steamroller slipstream. With the exception of National Westminster, product of a 1960s merger of three large secondary institutions, the major British banks first achieved prominence towards the end of the Victorian Pax Britannica. The Empire's wealth was flooding into London at an unprecedented rate during this period, relentlessly fuelling Britain's industrial expansion and increasing the need for a coherent national banking network. Most of the banks as then established were modest institutions centred on a single office and often still operating as insecure private partnerships. Within twenty years this situation was to change beyond recognition as banks combined at a feverish pace and extended their talons into the Empire and beyond.

## COUSINS

The Barclays Bank of today can trace both its name and its pedigree back to Robert Barclay, a Quaker land-owner and aristocrat who lived in the late seventeenth century. His grandson was a founding partner of Barclay and Company of Lombard Street in the City of London, and other descendants of his married into the Quaker banking families of Gurney, Birkbeck, and Leatham. These families in turn were inter-married with the Peases and Backhouses, prominent banking clans from the North-East of England. This complex network of cousinship formed the basis for the largest banking merger ever seen in Victorian Britain. On the 20th of July 1896, fourteen banks were absorbed into a single unit based at Lombard Street. Among them were Gurney and Company with eight branches in East Anglia, the Backhouse group of Darlington, Durham, Newcastle, and Scarborough; Hall, Bevan and Company of Brighton, and Birkbeck and Co. based in Peterborough. Barclays was on its way to becoming a major power in the land.

Further acquisitions soon took place. In 1901 Barclays bought the Oxford Old Bank, and in 1905 merged with the Bolitho Bank, instrument of that family's china-clay empire in the South-West of England. Later in the same year they purchased Leatham, Tew and Co. of Wakefield, Yorkshire, a bank already controlled by Barclay cousins.

Meanwhile other British banks had hit the take-over trail, amalgamating defensively against the likes of Barclays, Midland, and Lloyds. The exercise was largely unsuccessful, merely presenting the three giants with more appetising targets for their agglomerative avarice. Thus in 1916 Barclays seized the United Counties Bank, with more than 100 branches, and in 1918 the London, Provincial, and South-Western a prize of similar value. In 1919 further new territory was annexed through the acquisition of the Union Bank of Manchester, and the British Linen Bank of Scotland. The domestic network was now comprehensive, and Barclays began its fateful expansion overseas.

In 1925 the National Bank of South Africa, the Colonial Bank, and the Anglo-Egyptian Bank were acquired and merged into a single new holding company, Barclays Bank (Dominions, Colonial, and Overseas) Limited. This became the major international subsidiary, moving rapidly into Asia, Australia, and the Americas.

In 1971 "D.C.O." changed its name to Barclays Bank International in a belated move to avoid offending newly-independent Third World nations. The company is still a wholly-owned subsidiary of Barclays Bank Limited, and currently operates in Canada, the U.S.A., Australia, Botswana, Ghana, Kenya, Sierra Leone, Swaziland, Zambia, Singapore, Hong Kong, Taiwan, Belgium, France, Germany, the Netherlands, Switzerland, and - most controversially - in the Republic of South Africa.

## APARTHEID'S BANKER

The apartheid system and its Broederbund overlords have been reviled in every civilised forum on the globe. The deplorable inhumanity of apartheid need not be detailed in these columns, being common knowledge among all educated people regardless of ideology, religion or philosophy. What must be detailed is the involvement of Barclays Bank with this despicable regime.

The most influential bank in South Africa is Barclays National, of which 51% is owned by Barclays Bank International (B.B.I.), and a further 18% by their allies, the Oppenheimer family (see article in this issue). B.B.I. is owned 100% by Barclays Bank Limited, and B.B.I. profits earned by its South African associate contribute more than 12% of the parent company's pre-tax earnings. These profits come from various tainted sources. Firstly there is Barclays' support for South Africa's major corporations such as De Beers Consolidated Mines, Anglo-American, and Rothmans International (Tobacco). They are the leading lender of record to each of these companies, all three of which employ black personnel in subhuman conditions at slave levels of remuneration. Secondly, Barclays supports the South African government itself, by way

of Barclays National being the major purchaser of Pretoria's government bond issues. Among these are special defence bonds which finance South Africa's piratical terror raids into neighbouring Black countries such as Lesotho and Angola. The Barclays Group is a cornerstone of both the political regime and its plutocratic masters' commercial enterprises.

The level of the bank's involvement with South Africa is evident from a cursory glance at the International Board. Among the directors are Sir Henry Marking (Chairman of Carreras-Rothman and a director of Rothmans International), Sir David Scott (Chairman of Ellerman Shipping who run frequent services to the Cape, and British Ambassador to Pretoria from 1976-1979), and Sidney Spiro (a director of De Beers and Anglo American; for further details see Oppenheimer article).

Barclays has completely ignored all lobbying attempts which seek to sever its odious connections with South Africa, and various boycotts are being organised against the parent company in response to this unbending resolve. Barclays is by no means the only Western corporation supporting apartheid, but it is certainly first in importance. The inevitable question must be:- "What kind of people would attempt to justify their involvement with such a country in defence of their own monetary gains ? Or, more simply, *Who Controls Barclays Bank ?*

# HAPPY FAMILIES

On the 22nd. of May 1980, the Manchester Guardian's business page commented:-

> When Timothy Hugh Bevan, 53, takes over the Chairmanship of Britain's biggest bank next Spring from Sir Anthony Favill Tuke, 59, a former Welsh Guardsman will be succeeding a former Scots Guards officer. But there is more. Sir Anthony, Chairman since 1973, and Mr. Bevan are both members of the seven (sic) interlocking "Barclays families" who have occupied the top job at the bank since 20 (sic) private regional banks merged to form Barclays in 1896. Indeed, Mr. Bevan's great-grandfather was the first Chairman of what is now Barclays Bank....The seven families, the Tukes, Bevans, Gurneys, Bolithos, Ttittons, Birkbecks, and Peases, made their fortunes in the 19th. Century...At present two of the top six jobs at the bank are held by members of the families, who also contribute seven directors of the 29 member Board.

Since the Guardian's article appeared, the number of family directors on the Main Board has dropped to five, although a sixth kinsman (Anthony Favill Tuke) remains on the International Board, a seventh is on a regional board, and the Barclay family themselves (strangely neglected in the Guardian piece) are represented on various regional and subsidiary boards of the bank. Another factor ignored by the Guardian is that of all 29 Main Board directors, only the Family members and two others control any quantity of the Bank's stock. Almost half of the remaining directors are bank functionaries - hired hands with no support through equity for any dissenting opinions they might hold. These executives are on the board only for their book-keeping expertise and commercial advice, not to shape overall policy or corporate morality. It must be concluded that the real power at Barclays is held by inheritors with a board presence, backed up if they should ever need it by the shareholdings of a multitude of rentier-style relatives. The directors acknowledged holding in bank-stock is slightly less than 1%, or 2,143,488 shares, but informed insiders suggest that if one considers all members of all 8 families (remembering that old-line landowning families maintain closer contact with their distant relatives than ordinary folk do), the true total would be between 15 and 20%. This is more than enough for secure working control when the remainder is scattered among the middle classes or held by vulnerable institutions such as mutual insurance companies or pension funds. Plutocratic families worldwide learned this trick long ago, and discerning readers will realise that family solidarity is a potent force in the world of monopoly capitalism.

As stated in The Guardian, TIMOTHY H. BEVAN assumed the Chairmanship of the Main Board in Spring 1981. He was educated at Eton, became an officer in the Welsh Guards, and then joined the business as a junior executive. Until 1965 Barclays operated a special "accelerated training scheme" for members of the Families, and this ensured rapid promotion regardless of any merit Bevan may or may not have possessed. By the time Barclays took over Martins Bank of Liverpool in 1969, their first major acquisition in decades, Bevan was firmly entrenched in the highest echelon. He is currently a director of Commercial Union Assurance, the Union Discount Company of London, and the London Advisory Board of the Australian Bank of New South Wales. His clubs include the Cavalry and Guards and the Royal Yacht Squadron.

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SIR RICHARD THORN PEASE, 60, is one of Barclays' three Vice-Chairmen. Like Bevan he was educated at Eton but chose the 60th. Rifles as his regiment in the military. He is a deputy-chairman of the Yorkshire Bank in which Barclays is the dominant shareholder, and a director of the Bank of Scotland where Barclays hold 35% of the shares. The Pease family's banking interests have blossomed apace with their property holdings, which are controlled through the Middlesborough Estates Company. Sir Richard is naturally a director of this family entity.

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SIMON E. BOLITHO, a director of the main Barclays board, is active in English China Clays Ltd., the current manifestation of his family's Cornish empire. He was a cadet at Sandhurst and joined the Grenadier Guards for his military service. Bolitho holds the rather grand title "Vice-Lord-Lieutenant of Cornwall", an enoblement which is a symbol of rank among the wealthy families of the rural English shires, and is a member of such clubs as Pratts and the Royal

Yacht Squadron.

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Barclays' inheritor ALAN G. TRITTON is a director of the Main Board and of the Equitable Life Assurance Society. He seems to spend much of his time exploring those parts of the planet he does not yet own, being involved with the British Trans-Arctic Expedition in the Sixties and the British Everest South-West Face Expedition in 1974-1975. This expensive hobby earns him a seat on the committees of both the Mount Everest Foundation and the Scott Polar Research Institute. His more sedate activities include membership of Pratts and another elite club, Boodles. What use the board of Equitable Life make of him we dare not hazard to guess.

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WILLIAM BIRKBECK is a director of Barclays and the Bank of Scotland. He spent sixteen years in the Coldstream Guards, rising to the rank of Major, and currently holds the title "Deputy Lord-Lieutenant of Cambridgeshire" (providing an interesting parallel with Simon Bolitho). In common with other leading members of the Birkbeck family, his occupation is listed as "farmer and landowner", a vocation he pursues from his home at Bainton House, Stamford, Lincolnshire. Given his pecuniary bulk it is not surprising to find him as a dominant member of Barclay's Peterborough Regional Board, and we would mention in passing that he is married to the niece of a Barclay.

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SIR ANTHONY FAVILL TUKE was Chairman of the Main Board from 1973-1981, and of the International Board from 1972-1979. He is still a prominent director of B.B.I., although his main role nowadays is as Chairman of the Rio-Tinto-Zinc mining company. He is also a director of Royal Insurance and the Merchants Trust Company. Tuke's move to R-T-Z is of interest since the controlling group in this huge company is an alliance of Barclays, the British and French Rothschild families, and South Africa's Oppenheimer dynasty. Harry Oppenheimer's familiar, the aforementioned Sidney Spiro, is a director of both R-T-Z and B.B.I.

Sir Anthony is mired in even deeper waters however, being a member of David Rockefeller's Trilateral Commission. This elite planning organisation seeks to influence the foreign and economic policies of governments in North America, Western Europe, and Japan. The extent of its success will be discussed in a future issue of this magazine.

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There has been no representative of East Anglia's Gurney family on Barclay's main board since the death of Richard Quinton Gurney in 1980. His son and heir, DAVID QUINTON GURNEY, (born 1941) lists his principal occupation as landowner, and he is Chairman of Bawkeswell Farms, one of the family's two main land companies (the other is the Walsingham Estate Company). Nevertheless, he is a director of Barclay's Darlington Regional Board and will no doubt replace his late father on the Main Board in due course. Directorships in Barclays Bank Limited are a hereditary phenomenon.

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The Barclay family themselves, although omitted from the Guardian's article, are by no means a spent force. At the present time there are four prominent Barclays. two of them aging patriarchs, the other two their respective heirs. SIR RODERICK E. BARCLAY, (born 1909) was Britain's ambassador to Belgium from 1963-1969 and is still a director of Barclay's Belgian subsidiary of which he was Chairman from 1970-1974. He sat on the International Board from 1971-1977, but his main function today is to oversee the family's investment in Slough Estates, a substantial land and industrial developement company. The Chairman of Slough Estates is Mr. Nigel Mobbs, a director of Barclays Bank and also Chairman of the Charterhouse Group, where long-time Barclays employee Derek Wilde is Deputy-Chairman. Among this group's properties are Charterhouse Japhet (a merchant bank) and Keyser-Ullman Holdings (an industrial finance house). Derek Wilde was Chairman of both these Charterhouse subsidiaries until 1981.

THEODORE D.BARCLAY (born 1906) was a director of the Main Board from 1948-1977, of the British Linen Bank/Bank of Scotland from 1951-1977, and of the giant Sun Alliance insurance group from 1948-1977 (Chairman from 1956-1968). He now lives in affluent retirement, but his son, DAVID W. BARCLAY is on the bank's Ipswich Regional Board. Sir Roderick's son, JOSEPH GURNEY BARCLAY is on the Birmingham Regional Board. Both men are now in their early forties and their regional appointments may be seen as apprenticeships for their entry to the Main Board.

## IN-LAWS

As we mentioned earlier, two other individuals on the Main Board are believed to hold large amounts of Barclays stock, or more accurately, their families combined do so. This stock was acquired when Barclays took over two large regional institutions in 1919.

The acquisition of Scotland's British Linen Bank brought with it the COLVILLE family, whose representative until recently was Lord Clydesmuir (alias Ronald Colville). He is still Chairman of North Sea Assets (petroleum exploration), and a director of the Bank of Scotland, Scotbits Securities, and the Caledonia Offshore Company. There are other influential Colvilles; John Colville, 4th Viscount of Culross is a director of the B.E.T. industrial holding behemoth, Thames Television, and the Wembley Sports Stadium. The Viscount's cousin, LORD PETER CARRINGTON was a director of Barclays and R-T-Z mining until 1979 when he entered the Thatcher government as Foreign Secretary. He resigned from this post in early 1982 because of his failure to foresee the Argentine's invasion of the Falklands, and within seven months he had returned to both directorships and been made Chairman of the (British) General Electric Company.

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Among the major shareholders in the Union Bank of Manchester were members of the ASHTON family, who made their money in land and textiles. The head of this family at present is the 2nd BARON ASHTON OF HYDE, who despite his title has long since left

(CONTINUED ON PAGE FIFTEEN)

# GOLD & DIAMONDS

## THE OPPENHEIMER FORTUNE

Nervousness about the future of the Western economic system has been the growth industry of the last decade; a solitary beacon amid the shadows of a recession-struck world. The insecurity of the small investor has led to a fanatical search for new and safer means of preserving individual wealth, and many middle-class property-owners have turned to such items as stamp collections, rare coins, and works of art. Others have regressed to a medieval mentality and seen their salvation in the hoarding of diamonds, gold, and precious metals. Whichever of these latter commodities are chosen the investment serves to enrich the coffers of the South African government, and to increase the power of South Africa's royal family, the Oppenheimers.

The full extent of the Oppenheimer fortune is little realised outside the borders of their homeland, although the family's influence reaches out into the economies of Great Britain, the United States, Canada, Australia, Brazil, Portugal, and a dozen or more African nations. The heart of the empire lies in their virtual monopolies over the mining, wholesaling, and marketing, of both gold and diamonds, but Oppenheimer money has also tainted the blood of the Zinc, Lead, Tin, Tungsten, Platinum, Molybdenum, Copper, and Coal industries. Outside of their metals and minerals base they control factories which produce building and insulation products, automotive parts, refrigeration and heating equipment, railway track, and tunnelling equipment. The Oppenheimer empire sits astride the African continent like a gigantic leech, absorbing raw materials and excreting pure economic power to the benefit of both the family and the political regime in Pretoria.

## COLOSSUS

The family's interests are principally held by five huge corporations, each of which is neatly interlocked with the other four. The symbiotic whole is dominated by two senior family members; Harry F. Oppenheimer (born 1908), son of the founder, and his London-based cousin Sir Philip Oppenheimer (born 1911).

Their five master companies are DE BEERS CONSOLIDATED MINES of South Africa (the diamond monopoly, handling 85% of the world supply), THE ANGLO-AMERICAN CORPORATION of South Africa (the gold momopoly), CHARTER CONSOLIDATED LTD. of London (a conglomerate with interests from merchant banking to manufacturing), the ENGELHARD MINERALS AND CHEMICALS CORPORATION of New York (the platinum and precious metals monopoly), and THE MINERALS AND RESOURCES CORPORATION (or MINORCO), registerd in Bermuda, and acting as the investment ministry of the family empire. The family's direct or sometimes convolutely indirect holding in each of these giant companies exceeds 25%, and in each they are allied with other super-powerful interests such as the Morgan Bank of New York (Anglo-American and Engelhard), Barclays Bank of London (Charter-Consolidated), and the British and French branches of the Rothschild family (De Beers).

All of this fantastic wealth has been amassed in less than a single century - the Oppenheimer story only begins with the incumbent patriarch's father, Sir Ernest Oppenheimer - and to understand this rapid growth we must go back to 1871 and a sleepy Boer farm near the diamond-rush area of Bultfontein, Transvaal.

## FARM-BOYS

The two De Beers brothers after whom the diamond-trust is named were Dutch immigrants who farmed in the South of the Boer Republic of Transvaal, near the river boundary with the British Cape Colony. From 1866 onwards diamond-fever had infected the territory on all sides of them after several sensational gem discoveries, and during 1871 prospectors found diamonds on the De Beers farm. The rustic duo wanted nothing to do with this and sold the farm to a syndicate of prospectors for £6,000, realising a 1000% profit on their own purchase price and, no doubt, thinking themselves talented entrepreneurs. Within their lifetimes the mine which carried their name had become a 1300 feet-deep hole which was the richest source of diamonds in the world. The modern city of Kimberley grew up on De Beers farmland around the "Big Hole" and the global monopoly built its headquarters close to the site of the long-demolished De Beers homestead.

## RHODES & BARNATO

The diamonds inevitably attracted the attention of the Imperium in London, and in November 1871 the British Cape Colony seized the diamond fields from the Boer Republics, setting the scene for the Boer War a quarter of a century later. The advent of British control was almost coincident with the arrival in Capetown of an eighteen year old Englishman named Cecil Rhodes. Initially Rhodes became involved in his brother's cotton-farming operation, but the diamond-fields proved an irresistible attraction. In consort with another Englishman, Charles Rudd, he began to buy out claims at the De Beers site. By 1880 they controlled a majority of the area and established the De Beers Mining Co.

Rhodes' only real competitor in Kimberley was Barney Barnato, a Jewish-Cockney vaudeville entertainer who had arrived in the diamond-fields in 1873 hoping to cash in on the boom somehow. He too began to

buy up claims and eventually secured major backing from a London financier. In 1885 he formed the Kimberley Central Mining Company. Three years later Kimberley Central merged with De Beers, Rhodes achieving the monopoly he desired at the expense of having Barney Barnato as his largest shareholder. De Beers Consolidated Mines had been born, and seventeen years after his arrival at the Cape, Cecil Rhodes company controlled 90% of the world's diamond output.

Having secured a production monopoly, De Beers now sought to achieve a monopoly in wholesaling via the medium of "friendly" dealers with shares in the producing company. The three main dealers in this wholesaling syndicate were Barnato Bros., Wernher Beit and Co., and Mosenthals, but a ten percent share was granted to Dunkelsbuehlers, a small new company set up by an errant Mosenthals partner. The London personnel of Dunkelsbuehlers included a young German Jew by the name of Ernest Oppenheimer.

## DEADLY ERNEST

In 1902 Oppenheimer came to South Africa as a buyer for his employers, rapidly soaring through the ranks to become a consultant. In this role De Beers asked him to visit the diamond-fields of German South West Africa shortly after the outbreak of World War One to estimate their yield and value. When De Beers seemed uninterested in his survey results he suggested to Dunkelsbuehlers that they should buy the fields and commence independent production. His employers had already diversified into gold and other mining ventures but Oppenheimer's proposal was rejected to avoid alienating De Beers other dealer-shareholders.

Oppenheimer reluctantly agreed and turned his attention momentarily to gold. In 1917 he founded the Anglo-American Corporation to exploit a newly-discovered goldfield in the Western Rand. His financial backing came from the United States, most notably from New York's J.P. Morgan and Company. Two years later, after the German surrender, Morgans provided him with the finance to establish Consolidated Diamond Mines of South West Africa, fulfilling Oppenheimer's desire to challenge De Beers production monopoly. C.D.M. were soon allocated a 21% share in the provision of diamonds to the wholesaling syndicate, much to the chagrin of De Beers management. This decision was undoubtedly influenced by the fact that Ernest's brother, Louis, was now a full partner in the Dunkelsbuehler dealership. Meanwhile Ernest had been cultivating the friendship of Barnato Brothers, and entered a joint venture with them, independent of their De Beers involvement, opening diamond-mines in Angola and the Congo.

Further back-room dealings with Barnato Brothers soon took place, and when the old wholesaling syndicate agreement expired in 1924, the other dealers found themselves frozen out by an Oppenheimer-Dunkelsbuehler-Barnato combination. Barnato's weight as a shareholder in De Beers assured that this new combination would be successful despite howls of protest from the disenfranchised dealers of the old syndicate.

From here on things snowballed. In 1926 Sir Ernest Oppenheimer (he had been knighted in 1921) was elected to the De Beers board, and by 1929 he had become Chairman with Barnato Brothers' support. Under his leadership De Beers tightened its stranglehold on the world's supply through the Diamond Trading Company and the Central Selling Organisation, which monopolised the wholesaling of not only De Beers diamonds but also those produced elsewhere in the world including the Soviet Union. Another trend over the years was the disappearance of the Barnato and Dunkelsbuehler interests from the diamond monopoly's board. They had served Sir Ernest's ambitions well, but were no longer needed by him.

## PLUTOCRATS

The present-day board of De Beers Consolidated Mines is eighteen strong, but five individuals stand out as the real power. HARRY OPPENHEIMER is Chairman of De Beers, retired Chairman and still a director of Anglo-American, Chairman of the Bermuda based Minerals and Resources, and Chancellor of the University of Cape Town. In the 1950s he was an active member of the South African Parliament where he retains many friends among the centrist faction. His son and heir, NICHOLAS , is a director of De Beers and Anglo-American, as is a son-in-law. Harry's cousin SIR PHILIP OPPENHEIMER is Chairman of the Diamond Trading Company, Deputy Chairman of Charter Consolidated, and a director of both De Beers and Anglo-American. BARON ELIE DE ROTHSCHILD (France) and EVELYN DE ROTHSCHILD (Britain) represent their own family's shareholding in De Beers, inherited from their financial backing of Cecil Rhodes in the earliest days of the company and magnified by later purchases of Barnato shares.

## FLUNKIES

Obviously two-and-a-half Oppenheimers and two Rothschilds cannot run the show by themselves; in common with other super-wealthy families they employ a selected coterie of faithful servants to represent the wishes of the throne to mundane executive levels. Two of these stand out as being particularly important and can serve as examples of the remainder.

SIDNEY SPIRO (born 1914) joined the Anglo-American Corporation in 1953, and by 1961 was an executive director of the company specialising in international banking. From 1971 to 1976 he was Chairman of Charter Consolidated and he is currently a director of the Hambros investment-bank (which specialises in shipping and diamonds), Barclays Bank International, Rio-Tinto-Zinc, De Beers and Minerals and Resources.

H.RONALD FRASER (born 1920) started working for Anglo-American in 1954, and in 1972 crossed the Atlantic to head the Canadian subsidiary. He is also Chairman of the Hudson Bay Mining and Smelting Company, and a director of Inspiration Consolidated Copper, Charter Consolidated, Minerals and Resources and Engelhard Minerals and Chemicals. +++

BARCLAYS BANK continued.....

the textile panhandle of Cheshire (where this magazine is produced!!!) for an estate at Moreton in Gloucestershire. His son and heir, the Right Honourable T.J. Ashton (born 1926) is on Barclays Main Board, and Chairman of the Manchester Regional Board. The future 3rd. Baron's home is at Ashton Grange near Chester, still comfortably distant from the textile towns where the family's millions were made at the expense of local people's health, environment, and long-term futures. His London club is Boodles, haunt of master-explorer Alan Tritton.

# SUN ALLIANCE

One more tangle remains to be unravelled and it is one of great significance centred on the Sun Alliance Insurance company.
Before the Second World War Sun Alliance was considered a Rothschild company, and Edmund de Rothschild, President of the family's merchant bank, is still present on the board. There is also a strong Barclays influence. Henry Lambert, Deputy Chairman of Barclays, is a Vice-Chairman of Sun Alliance perpetuating a tradition begun with Theodore Barclay's twelve year chairmanship of the insurance giant. Lord Aberconway, Chairman of the Bolitho family's English China Clays, is a Deputy Chairman of Sun Alliance and Westland Helicopters, and a director of National Westminster Bank. Lord Aldington,Chairman of Sun Alliance and Westland Helicopters, is a Deputy Chairman of General Electric (where Lord Carrington is Chairman), and a director of both Lloyds Bank and Citicorp New York. Sir Alan Dalton is a director of both Sun Alliance and Westland helicopters, while the Earl of Crawford is a Vice-Chairman of Sun Alliance, a director of National Westminster Bank, and was Minister of Defence from 1970-1972. The Ministry of Defence are Westland Helicopters largest customer, and while we suggest no actual wrong-doing, such elaborate networks must make it difficult to avoid conflicts of interest.
To briefly recap; there are two connections between the Barclay families and Sun Alliance, two between National Westminster and Sun Alliance, one connection with Lloyds Bank, and three between Sun Alliance and Westland including the Chairman and his Deputy. This entire network involves only five individuals and demonstrates the importance of the Sun Alliance Insurance Co. The story would get even more complex if we were to include other Sun Alliance directors such as Edmund de Rothschild and Lord Astor. Without going into elaborate detail, the following generalisations can be made about the controlling alliances of six selected companies:-

Sun Alliance......Rothschild/Barclays/Astor/Nat. Westminster
R-T-Z Mining......Rothschild/Barclays/Oppenheimer
De Beers..........Oppenheimer/Rothschild
Hambro Group......Hambro/Astor/Oppenheimer
Rosedimond Trust..Hambro/Astor/Rosenfeld
Westland Heli.....Sun Alliance/Nat. West.

In future articles we will be studying the Hambro/Rosedimond network at greater length and assessing the present day reach of the "old-monied" Astor tribe. +++

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SAN FRANCISCO continued.....

almighty Morgan Guaranty Trust, with whom the Bechtels maintain a guarded alliance. STEPHEN JR., Chairman of Bechtel, is a director of Southern Pacific, IBM, and Hanna Mining, and Vice-Chairman of the Business Council power-clique. Bechtel money looms large in both BankAmerica (via Morgan's trust department) and the Wells Fargo Bank (where two Bechtel employees hold directorships). The family's influence is as massive as the projects they undertake.

# Wells Fargo

Having abandoned stagecoaches for the world of high finance many years ago, the name Wells Fargo now graces San Francisco's second-largest bank. The three primary influences on the Wells Fargo board are the Bechtels, and two Bay area mining families, the Floods and Wattises. JAMES FLOOD is a director of Wells Fargo and a Trustee of his family's voluminous fortune, amassed from the Homestake gold-mine. EDMUND WATTIS LITTLEFIELD is a director of Wells Fargo, Southern Pacific, US General Electric, and Federated Department Stores.
It should be noted that the Bechtels (sr. and jr.) and Littlefield all own large chunks of Wells Fargo and are all directors of Southern Pacific. This company owns 13 thousand miles of railway, 5 million acres of land, 73 industrial developements, and a major insurance company. It has annual revenues of more than $2 billion, and is certainly worth controlling.

# The Pacific Union

Most observers of corporate board meetings comment on the remarkable amount of consensus shown in these infrequent conclaves. Discussions centre on financial specifics as if general policy has already been decided somewhere else. In the case of San Francisco it seems likely that this "somewhere else" is the hallowed sanctuary known as the Pacific Union Club.
The Pacific Union's well-heeled membership includes S.D.Bechtel Sr.& Jr., Charles Crocker III, Robert Di Giorgio, James Flood, Prentis C. Hale, Philip Hawley, E.F. Kaiser Sr., Charles de Limur, E. Wattis Littlefield, and William J. Zellerbach, as well as a host of senior executives from the companies they collectively control. Only the Haas family are absent, and this because of the elite clubs notorious anti-semitism.
In addition to their Pacific Union membership, six of the city's main proprietors are members of New York's super-elite Links Club, haunt of Mellons, du Ponts, and Rockefellers. They are both Bechtels, both Kaisers, P.C.Hale, and W.J. Zellerbach. The Links provides the barons of the city with access to the highest echelon of the Western plutocracy. It is the transmission element between San Francisco and Wall Street, between the West Coast and the Western World.

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